



**Billing Code: 5001-06**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**(Transmittal Nos. 13-41)**

**36(b)(1) Arms Sales Notification**

**AGENCY:** Department of Defense, Defense Security Cooperation Agency.

**ACTION:** Notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

**FOR FURTHER INFORMATION CONTACT:** Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives,

Transmittals 13-41 with attached transmittal, and policy justification.

Dated: August 13, 2013.

Aaron Siegel,  
Alternate OSD Federal Register Liaison Officer,  
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY  
201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

AUG 08 2013

The Honorable John A. Boehner  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 13-41, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Australia for defense articles and services estimated to cost \$54 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

William E. Landay III  
Vice Admiral, USN  
Director

Enclosures:

1. Transmittal
2. Policy Justification



## Transmittal No. 13-41

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Government of Australia
- (ii) Total Estimated Value:
- |                         |                     |
|-------------------------|---------------------|
| Major Defense Equipment | \$47 million        |
| Other                   | <u>\$ 7 million</u> |
| TOTAL                   | \$54 million        |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: up to 4,002 M1156 Precision Guidance Kits (PGK) for 155mm munitions, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistics support.
- (iv) Military Department: Army (UGV, A01)
- (v) Prior Related Cases, if any: FMS case UGV-\$20M-31Dec12
- (vi) Sales Commissions, Fee, etc.: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None
- (viii) Date Report Delivered to Congress: 8 August 2013

\*as defined in Section 47(6) of the Arms Export Control Act.

## POLICY JUSTIFICATION

### The Government of Australia – Munitions

The Government of Australia has requested a possible sale of up to 4,002 M1156 Precision Guidance Kits (PGK) for 155mm munitions, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistics support. The estimated cost is \$54 million.

Australia is an important ally in the Western Pacific that contributes significantly to ensuring peace and economic stability in the region. Australia has requested these PGKs to provide for the defense of deployed troops, in pursuit of regional security objectives and interoperability with the United States. This proposed sale is consistent with U.S. objectives to strengthen Australia's military capabilities and facilitate burden sharing.

(U) The Government of Australia requires these PGKs to provide capabilities vital to defend against external and other potential threats. This proposed sale supports Australia's efforts to effectively secure its borders and littoral waters, as well as conduct counter-terrorism/counter-piracy operations. The Government of Australia is capable of absorbing and maintaining these guidance kits in its inventory.

The proposed sale of this equipment will not alter the basic military balance in the region.

The principal contractor will be ATK Armament Systems of Plymouth, Minnesota. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this sale will not require the assignment of U.S. Government or contractor representatives to Australia.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.